

RECORDATION NO. **23156** FILED

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OCT 6 '00 11-51 AM
TS
SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

October 6, 2000

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated September 29, 2000, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrower:	Incobrasa Industries, Ltd. 540 East U.S. Highway 24 Gilman, IL 60938
Secured Party:	Bank One, Illinois, N.A. One East Old State Capitol Plaza Springfield, IL 62701

A description of the railroad equipment covered by the enclosed document is:

197 covered hopper railcars within the series BRIX 97001 - BRIX 97200

Mr. Vernon A. Williams
October 6, 2000
Page Two

A short summary of the document to appear in the index follows:

Security Agreement between Bank One, Illinois, Secured Party,
and Incobrasa Industries, Ltd., Borrower, covering 197 covered
hopper railcars within the series BRIX 97001 - BRIX 97200.

Also enclosed is a check in the amount of \$26.00 payable to the order of the
Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/anm
Enclosures

OCT 6 '00 11:51 AM

MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") dated September 29, 2000, is made by and between BANK ONE, ILLINOIS, NA, a national banking association, with an office at One East Old State Capitol Plaza, Springfield, Illinois 62701 (the "Bank") and INCOBRASA INDUSTRIES, LTD., an Illinois corporation, with its principal office at 540 East U. S. Highway 24, Gilman, Illinois 60938 (the "Borrower").

The Borrower and the Bank hereby state the following:

1. The Borrower and the Bank are parties to that certain Loan Agreement dated September 29, 2000 (the "Loan Agreement"), whereby the Bank has agreed to loan the Borrower certain funds to provide working capital for accounts receivable and inventory.

3. To secure the payment and performance of any and all of the Borrower's obligations to the Bank, the Borrower has, pursuant to that certain Security Agreement, dated September 29, 2000, by and between the Borrower and the Bank (the "Security Agreement") (capitalized terms used herein and not otherwise defined shall have the meaning given them in the Security Agreement), granted to the Bank a continuing, first priority security interest in, and lien on, all of the Borrower's right, title and interest in and to certain collateral (the "Collateral") including, without limitation, the covered hopper and other types of railcars set forth on Exhibit A hereto (the "Railcars") to have and to hold all and every part of the Collateral unto the Bank, its successors and assigns, for its and their own use and benefit forever; such Collateral includes but is not limited to:

- (a) the Railcars;
- (b) all improvements, additions, modifications, accessions, equipment, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired, and all substitutions and replacements of the Railcars described above;
- (c) all lease payments and lease proceeds with respect to the Railcars;
- (d) all proceeds, casualty value payments or proceeds, settlement payments and requisition compensation from the sale, loss or other disposition of the Railcars;
- (e) all rights, claims and causes of action, if any, that the Borrower may have now or in the future against any seller of the Railcars or any manufacturer or re-builder of the Railcars (or any component thereof) or any other party, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;


(f) all damages from time to time payable to or receivable by the Borrower in respect of the Railcars;

(g) all products or proceeds (cash and non-cash) of any of the foregoing; and

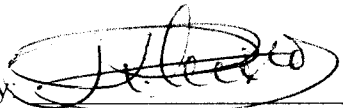
(h) all books and records relating to any of the foregoing.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

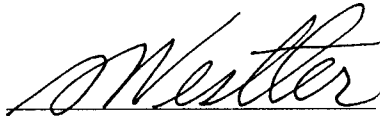
WITNESS:


Cleonice M. Ribeiro
Secretary


INCOBRASA INDUSTRIES, LTD.

By: 
Renato B. Ribeiro
President

WITNESS:



BANK ONE, ILLINOIS, NA

By: 
R. Todd Hovermale
Vice President

STATE OF ILLINOIS)
) SS:
COUNTY OF IROQUOIS)

On this 29th day of September, 2000, before me, a Notary Public of the County and State aforesaid, personally appeared Renato B. Ribeiro, to me personally known, who being by me duly sworn, says that he is the President of Incobrasa Industries, Ltd., an Illinois corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

WITNESS my hand and notarial seal.

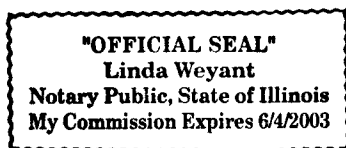


Kathy J. Merkle
Notary Public

STATE OF ILLINOIS)
) SS:
COUNTY OF SANGAMON)

On this 29th day of September, 2000, before me a Notary Public of the County and State aforesaid, personally appeared R. Todd Hovermale, to me personally known, who being by me duly sworn, says that he is a Vice President of Bank One, Illinois, NA, a national banking association, that said instrument was signed on behalf of said bank by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

AS WITNESS my hand and notarial seal



Linda Weyant
Notary Public

EXHIBIT A

RAILCARS

SEE THE LISTS OF RAILCARS ATTACHED HERETO

**Exhibit A to the Memorandum of Security Agreement Between
Incobrasa Industries, Ltd. and Bank One, Illinois, NA**

**One Hundred Ninety-Seven 100-ton 5,400 cubic foot covered hopper railcars
(286 GRL) manufactured by Thrall Car Manufacturing Company bearing
reporting marks and numbers as follows:**

BRIX 97001	BRIX 97041	BRIX 97081	BRIX 97121	BRIX 97163
BRIX 97002	BRIX 97042	BRIX 97082	BRIX 97122	BRIX 97164
BRIX 97003	BRIX 97043	BRIX 97083	BRIX 97123	BRIX 97165
BRIX 97004	BRIX 97044	BRIX 97084	BRIX 97124	BRIX 97166
BRIX 97005	BRIX 97045	BRIX 97085	BRIX 97125	BRIX 97167
BRIX 97006	BRIX 97046	BRIX 97086	BRIX 97126	BRIX 97168
BRIX 97007	BRIX 97047	BRIX 97087	BRIX 97127	BRIX 97169
BRIX 97008	BRIX 97048	BRIX 97088	BRIX 97128	BRIX 97170
BRIX 97009	BRIX 97049	BRIX 97089	BRIX 97129	BRIX 97171
BRIX 97010	BRIX 97050	BRIX 97090	BRIX 97130	BRIX 97172
BRIX 97011	BRIX 97051	BRIX 97091	BRIX 97131	BRIX 97173
BRIX 97012	BRIX 97052	BRIX 97092	BRIX 97132	BRIX 97174
BRIX 97013	BRIX 97053	BRIX 97093	BRIX 97133	BRIX 97175
BRIX 97014	BRIX 97054	BRIX 97094	BRIX 97134	BRIX 97176
BRIX 97015	BRIX 97055	BRIX 97095	BRIX 97135	BRIX 97177
BRIX 97016	BRIX 97056	BRIX 97096	BRIX 97136	BRIX 97178
BRIX 97017	BRIX 97057	BRIX 97097	BRIX 97137	BRIX 97179
BRIX 97018	BRIX 97058	BRIX 97098	BRIX 97138	BRIX 97180
BRIX 97019	BRIX 97059	BRIX 97099	BRIX 97139	BRIX 97181
BRIX 97020	BRIX 97060	BRIX 97100	BRIX 97140	BRIX 97182
BRIX 97021	BRIX 97061	BRIX 97101	BRIX 97141	BRIX 97183
BRIX 97022	BRIX 97062	BRIX 97102	BRIX 97142	BRIX 97184
BRIX 97023	BRIX 97063	BRIX 97103	BRIX 97143	BRIX 97185
BRIX 97024	BRIX 97064	BRIX 97104	BRIX 97144	BRIX 97186
BRIX 97025	BRIX 97065	BRIX 97105	BRIX 97145	BRIX 97187
BRIX 97026	BRIX 97066	BRIX 97106	BRIX 97146	BRIX 97188
BRIX 97027	BRIX 97067	BRIX 97107	BRIX 97147	BRIX 97189
BRIX 97028	BRIX 97068	BRIX 97108	BRIX 97148	BRIX 97190
BRIX 97029	BRIX 97069	BRIX 97109	BRIX 97149	BRIX 97191
BRIX 97030	BRIX 97070	BRIX 97110	BRIX 97150	BRIX 97192
BRIX 97031	BRIX 97071	BRIX 97111	BRIX 97152	BRIX 97193
BRIX 97032	BRIX 97072	BRIX 97112	BRIX 97153	BRIX 97195
BRIX 97033	BRIX 97073	BRIX 97113	BRIX 97154	BRIX 97196
BRIX 97034	BRIX 97074	BRIX 97114	BRIX 97155	BRIX 97197
BRIX 97035	BRIX 97075	BRIX 97115	BRIX 97156	BRIX 97198
BRIX 97036	BRIX 97076	BRIX 97116	BRIX 97157	BRIX 97199
BRIX 97037	BRIX 97077	BRIX 97117	BRIX 97159	BRIX 97200
BRIX 97038	BRIX 97078	BRIX 97118	BRIX 97160	
BRIX 97039	BRIX 97079	BRIX 97119	BRIX 97161	
BRIX 97040	BRIX 97080	BRIX 97120	BRIX 97162	